



Seattle Mayor Mike McGinn
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For Immediate Release: February 16, 2011

Mayor and County Executive announce new, self-funded arena proposal

Appoint panel to evaluate terms of proposal from private investor

SEATTLE – Seattle Mayor Mike McGinn and King County Executive Dow Constantine today announced that a private investor, Christopher Hansen, has sent a proposal to the City and County to construct a new arena in Seattle's Stadium District with the ability to host an NBA and NHL team. Together, the Executive and Mayor also appointed a panel of community leaders and finance experts to evaluate Mr. Hansen's proposal.

In his letter, Mr. Hansen proposes to raise \$290 million in private investment for the facility. In addition, he and his investor group would bear the costs associated with acquiring an NBA team and seek a partner who would recruit an NHL team to the new facility. The remaining arena development and construction costs would be financed by a combination of tax revenues generated by the facility, and property and rental income paid by the teams.

Executive Constantine and Mayor McGinn said that any agreement eventually reached by the City, County and the private investor must adhere to the following principles:

- A new arena must be self-funding, and not rely on new taxes;
- Existing City and County funds and services would not be adversely impacted;
- Private investors would bear risk against revenue shortfalls;
- Any project cost overruns will be the responsibility of private investors;
- Private funding should be provided for a study of ways that Key Arena can be modified to keep it a financially successful part of Seattle Center.

"This is great news for Seattle," said McGinn. "On first look, we have an exciting proposal that, if successful, would mean hundreds of millions of dollars of private investment in our city – an investment that means even more during our city's fragile economic recovery. And I think that the work by City and County staff, combined with outside expertise on arena

financing, have resulted in a proposal that protects our city general fund from any negative impacts and protects the city into the future, should there be any revenue shortfalls. And more work needs to be done. I look forward to the Review Panel's report to our respective legislative bodies as they bring their financial experience and expertise to bear on this proposal."

"When someone comes forward and offers to put up nearly \$300 million of private money and bring the NBA back to the city of his birth -- that's something you have to look at very seriously," said Executive Constantine. "I strongly support returning NBA basketball to King County and, particularly these days, such a proposal would need to be self-funding. On first read, it appears Mr. Hansen's proposal meets that requirement, but we're asking our review panel to make sure."

"If successful, we believe our effort would represent one of the largest private investments ever made in a new arena in North America and would provide a significant source of job and economic growth for the region," said Hansen in his letter.

Mayor McGinn and Executive Constantine have directed the Arena Advisory Panel they appointed to review the financing and other details of the proposal to ensure that the proposal is in the best interest of the public. The Panel is asked to submit its findings and report to the County Executive and Mayor in March. The Panel will be comprised of the following members:

- Jan Drago, co-chair – former Seattle and King County Councilmember
- Maud Daudon, co-chair – CEO and President of Seattle Northwest Securities Corporation; former Seattle deputy mayor and chief of staff
- Lenny Wilkens, co-chair - NBA Hall of Famer and former SuperSonics coach
- David Freiboth - executive secretary of the ML King County Labor Council.
- Doris Koo – former president and CEO of Enterprise Community Partners
- Karen Lee – CEO of Pioneer Human Services
- Estela Ortega – executive director of El Centro de la Raza
- Greg Smith – founder and CEO of Urban Visions
- Anthony R. Miles – partner in the Seattle law office of Stoel Rives LLP
- Dr. Jill Wakefield – Chancellor of Seattle Community Colleges

Background information for each panelist, the Panel's charter and other associated media materials regarding today's announcement can be found at seattle.gov/media.

If a memorandum of understanding can be reached between Mr. Hansen, the City, and the County, a proposal could be considered by the Seattle City Council and the Metropolitan King County Council respectively this spring.